

CITY OF LOS ANGELES
CALIFORNIA

JUNE LAGMAY
City Clerk

HOLLY L. WOLCOTT
Executive Officer



ANTONIO R. VILLARAIGOSA
MAYOR

Office of the
CITY CLERK

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When making inquiries relative to
this matter, please refer to the
Council File No.

www.cityclerk.lacity.org

October 19, 2011

To All Interested Parties:

City Attorney (w/blue sheet)

The City Council adopted the action(s), as attached, under Council File No. 11-1599,
at its meeting held October 18, 2011.

A handwritten signature in cursive script that reads 'June Lagmay'.

City Clerk
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TO THE COUNCIL OF THE
CITY OF LOS ANGELES

Your

PERSONNEL

Committee

reports as follows:

PERSONNEL COMMITTEE REPORT relative to the amendment of Los Angeles Administrative Code (LAAC) Section 20.60.4 to require all City departments to report fraud, waste, and abuse.

Recommendations for Council action, as initiated by Motion (Zine - Englander):

1. CONCUR with recommendations one, three, and four contained in the Audits and Governmental Efficiency Committee report.
2. REQUEST the City Attorney to prepare and present an Ordinance amending LAAC Section 20.60.4 that deals with the Controller's Fraud Waste and Abuse Unit and to include language similar to that provided for ethics training in Los Angeles Municipal Code Section 49.5.18.

Fiscal Impact Statement: Neither the City Administrative Officer nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted.

Summary:

At its October 5, 2011 meeting, your Committee considered Motion (Zine - Englander) relative to the amendment of LAAC Section 20.60.4 to require all City departments to report fraud, waste, and abuse. Additionally, the Motion calls for instructing the Ethics Commission and the Personnel Department to include a fraud, waste, and abuse training in their-bi-annual training and to further present an educational outreach plan for all City employees on the resources available to report fraud, waste, and abuse.

During the discussion of this item, the City Attorney representative made a technical amendment to recommendation two of the Audits and Governmental Efficiency Committee, as reflected above. The Controller's representative then spoke in favor of strengthening the Ordinance to include enforcement and controls and indicated that the Controller's office will work with the City Attorney on the amendment of said requested Ordinance. After additional discussion and providing the opportunity for public comment, the Committee concurred with recommendations one, three, and four contained in the AGE Committee report. The Committee also recommended approval of the City Attorney's technical amendment to AGE's recommendation two.

This matter is now submitted to Council for its consideration.

Respectfully submitted,

PERSONNEL COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
KORETZ:	YES
ZINE:	YES
PARKS:	ABSENT

MLE
11-1599_rpt_perc_10-06-11

- Not Official Until Council Acts -

ADOPTED
As Amended
OCT 18 2011
see Attached Motions
LOS ANGELES CITY COUNCIL

VERBAL MOTION

I HEREBY MOVE that Council APPROVE the following recommendations (Item #7, Council file 11-1599) relative to amending the Los Angeles Administrative Code Section 20.60.4 to require all City departments to report fraud, waste, and abuse:

1. ADOPT the Personnel Committee report.
2. REQUEST the City Attorney and City Controller to report back on:
 - A) The possibility of disciplinary action for those departments that do not report fraud, waste and/or abuse;
 - B) Definition of waste and abuse.

PRESENTED BY _____
DENNIS P. ZINE
Councilmember, 3rd District

SECONDED BY _____
BILL ROSENDAHL
Councilmember, 11th District

October 18, 2011

CF 11-1599

ADOPTED

OCT 18 2011

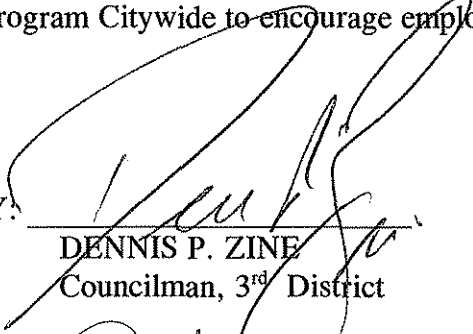
LOS ANGELES CITY COUNCIL

Item No. 7-C

MOTION

I MOVE that the matter of the Continued Consideration of Audits and Governmental Efficiency and Personnel Committees' Reports relative to amending Los Angeles Administrative Code (LAAC) Section 20.60.4 to require all City departments to report fraud, waste, and abuse, Item No. 7 on today's Council Agenda, (CF 11-1599) be amended to direct the Chief Legislative Analyst with the assistance of the Personnel Department to report with recommendations for instituting an incentive program Citywide to encourage employees to report fraud, waste, and abuse.

PRESENTED BY:


DENNIS P. ZINE
Councilman, 3rd District

SECONDED BY:



October 18, 2011

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ADOPTED

OCT 18 2011

LOS ANGELES CITY COUNCIL

ORIGINAL

7

TO THE COUNCIL OF THE
CITY OF LOS ANGELES

Your **AUDITS AND GOVERNMENTAL EFFICIENCY COMMITTEE**

reports as follows:

AUDITS AND GOVERNMENTAL EFFICIENCY COMMITTEE REPORT relative to amending Los Angeles Administrative Code (LAAC) Section 20.60.4 to require all City departments to report fraud, waste, and abuse.

Recommendations for Council action, as initiated by Motion (Zine - Englander):

1. REQUEST the City Attorney to prepare and present an Ordinance amending LAAC Section 20.60.4 to require all City departments to report fraud, waste, and abuse utilizing tougher language than currently under said LAAC section.
2. REQUEST the City Attorney to prepare and present an Ordinance amending Los Angeles Municipal Code (LAMC) Section 49.5.18 mandating that the Controller provide fraud, waste, abuse training, utilizing language similar to that in Recommendation No. 1.
3. REQUEST the Controller to work with the Personnel Department to develop online training for fraud, waste, and abuse.
4. REQUEST the Ethics Commission, with the assistance of the Personnel Department, to report back to the Audits and Governmental Efficiency Committee in regard to employee ethics training presented through the Personnel Department's Learning Management System.

Fiscal Impact Statement: Not applicable.

Community Impact Statement: None submitted

Summary:

On September 27, 2011, your Committee considered a Motion (Zine - Englander) relative to amending LAAC Section 20.60.4 to require all City departments to report fraud, waste, and abuse. Additionally, the Motion calls for instructing the Ethics Commission and Personnel Department to include a fraud, waste, and abuse training in their bi-annual training and to further present an educational outreach plan for all City employees on the resources available to report fraud, waste, and abuse. According to the Motion, LAAC Section 20.60 establishes the City's Waste Fraud and Abuse Unit within the Controller's office with the intention to allow the Controller to identify and prevent losses of City funds and resources and to act as a deterrent to fraud, waste, and abuse.

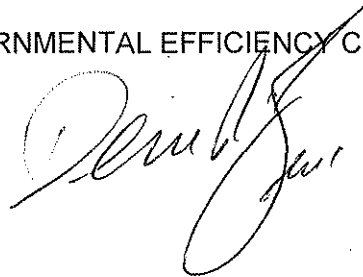
The current code "expects" City departments and other entities to report potential fraud, waste, and abuse. There is a need to strengthen the administrative code to "require" all departments and City entities to report any possible fraud, waste and abuse of resources, including activities which may be inappropriate under their scope of work. Subsequently there is a need to educate all employees of City

policies available to them in reporting any unscrupulousness action resulting in a waste of taxpayer dollars. Currently the Ethics Commission administers an ethics online training bi-annually. The Personnel Department administers a sexual harassment training bi-annually as well. Both departments should work together to incorporate training and education to prevent fraud, waste, and abuse for City employees.

After consideration and having provided an opportunity for public comment, the Committee moved to recommend: 1) requesting the City Attorney to prepare and present an Ordinance amending LAAC Section 20.60.4 to require all City departments to report fraud, waste, and abuse utilizing tougher language than currently under said LAAC section; 2) requesting that the City Attorney further prepare and present an Ordinance amending LAMC Section 49.5.18 mandating that the Controller provide fraud, waste, abuse training, utilizing language similar to that in Recommendation No. 1; 3) requesting the Controller to work with the Personnel Department to develop online training for fraud, waste, and abuse; and 4) requesting the Ethics Commission, with the assistance of the Personnel Department, to report back to the Audits and Governmental Efficiency Committee in regard to employee ethics training presented through the Personnel Department's Learning Management System. This matter is now submitted to Council for its consideration.

Respectfully submitted,

AUDITS AND GOVERNMENTAL EFFICIENCY COMMITTEE



OCT 12 2011 — CONTINUED TO OCT. 18, 2011

OCT 18 2011

Received and Filed

<u>MEMBER</u>	<u>VOTE</u>
ZINE:	YES
KORETZ:	ABSENT
ENGLANDER	YES

ARL
9/27/11
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